

Motor Oil Assessment Program



California Department of Food and Agriculture
Division of Measurement Standards
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INFORMATION GUIDE

Introduction

The Motor Oil Assessment Fee is a fee imposed on the first production, sale or distribution of motor oil in California, whether or not packaged in retail containers. The Motor Oil Assessment Fee shall only be paid once on any particular motor oil and does not apply to motor oil exported for sale outside of California.

Information for Motor Oil Assessment Fee

Fee Amount

The amount of Motor Oil Assessment Fee is established at two cents (\$.02) per gallon of motor oil.

Who is responsible for the Motor Oil Assessment Fees?

The first person who produced the oil shall pay the fee when the motor oil is first sold to any retail establishment or to any motor oil dealer including any sold to the Federal government or its agencies.

Motor oil produced outside of California and transported into California for export shall be exempt.

Reporting Basis

Each person responsible for the payment of the fee shall file a Motor Oil Sales or Purchase and Assessment Fee Return with the Department of Food and Agriculture by the following due dates: January 30, April 30, July 30 and October 30. The Motor Oil Sales or Purchase and Assessment Fee Return shall be on a form provided by the Department, completed and accompanied by the payment of fees due.

Delinquencies and Penalties

Motor Oil Sales or Purchase and Assessment Fee Returns not received by the Cashier, California Department of Food and Agriculture (CDFA), in Sacramento by the due dates stated above are delinquent. Motor Oil Sales or Purchase and Assessment Fee Returns not completed or not accompanied by the full payment are also delinquent.

Penalty for delinquent payments is 10% of fees due. For delinquencies going beyond one year an additional 1% of the fee due will be added.

Records

Each person required to file a Motor Oil Sales or Purchase and Assessment Fee Return shall maintain accurate records of all transactions subject to motor oil fees. Records shall be kept for four years and made available for verification by the Director upon request.

Exemptions

Motor oil produced outside of California and transported into California for export shall be exempt from the motor oil assessment fee. Adequate accounting records of exports from California must be maintained and made available for audit by the Director.

Export is defined as the delivery or shipment of motor oil out of state by the dealer to:

1. His out of state location.
2. A carrier for shipment to an out of state location.
3. A customs broker or forwarding agent for shipment to a location outside of California.
4. A vessel clearing from a port in California for a port outside of California.

Motor oil taken on board a ship, clearing a California port, for use in its own engines **is taxable**.

Motor oil sold for use in factory filled new vehicles manufactured in California for export **is taxable**.

CLAIMS FOR REFUNDS OF FEES PAID

Who may file a claim?

Any person who purchases motor oil and subsequently exports that motor oil may, by letter, request a refund or credit of the assessment fees that have been paid on that motor oil exported. The letter of request must include an original signature of a person in a responsible position who has knowledge of the transactions.

Statute of Limitations

All claims for refund of payments made shall be submitted within three years from the date of payment of the fee. Any claim for refund not submitted in a timely manner will be returned, unprocessed, to the sender.

Necessary documentation

All claims for refund shall be in a prescribed format and contain the following information:

1. A letter requesting the refund, signed by an employee of the company with knowledge of the transactions.
2. A ledger sheet tabulating purchases and exports for which the refund is being requested.
3. Copies of invoices, vouchers, etc., documenting that the motor oil assessment fee was paid.
4. Copies of invoices, vouchers, bills of lading, etc., documenting that the motor oil was exported from California.

The following information is required in order to process refund requests:

- Date and invoice number of purchase of motor oil.
- Quantity of motor oil purchased by type of oil and container size.
- Date and invoice number of exports of motor oil.
- Quantity of motor oil transferred by type of oil and container size.

The information shall be in the following format:

PURCHASES

<u>Date</u>	<u>Invoice No.</u>	<u>Oil Type</u>	<u>Container Size</u>	<u>Quantity-Gal.</u>
04-19-03	0000	CUSTOM 10W40	QUART	210
04-19-03	1111	DELO 20W50	55 DRUM	110
06-19-03	2222	DELO 20W50	1 GAL	215
			TOTAL	535

EXPORTS

<u>Date</u>	<u>Invoice No.</u>	<u>Oil Type</u>	<u>Container Size</u>	<u>Quantity-Gal.</u>
07-05-03	0000	CUSTOM 10W40	QUART	30
08-30-03	1111	DELO 20W50	55 DRUM	55
12-03-03	2222	DELO 20W50	1 GAL	50
			TOTAL	135

Questions and Answers for Motor Oil Fees

The following information provides you with answers to frequently asked questions and should be used only as a guide and not considered to be a legal authority.

What is the Motor Oil Assessment Fee and what is the rate?

The Motor Oil Fee is imposed on the first production, sale, distribution or importation of motor oil into California. The rate is currently \$0.02 per gallon.

How often is the Motor Oil Assessment Fee paid?

The fee is paid only once on any particular motor oil.

Who is responsible for the Motor Oil Assessment Fee?

The first motor oil dealer that produces, sells or distributes motor oil in California, whether or not packaged in retail containers, shall pay the fee for all such motor oil sold in California. A retailer shall pay the fee for motor oil received when he or she transports or causes motor oil to be transported into California from outside of the State.

What agency collects the Motor Oil Assessment Fee?

The Motor Oil Assessment Fee is reported to and the fee submitted to the Department of Food and Agriculture, Division of Measurement Standards.

Are there exemptions to the Motor Oil Assessment Fee?

Motor oil produced outside of California and transported into California for export are exempt from the motor oil assessment fee. Adequate accounting records of exports from California must be maintained and made available for audit by the Director.

What happens if I overpay the Motor Oil Assessment Fee on my Motor Oil Sales or Purchase and Assessment Fee Return?

If you feel that you have overpaid the fee on your Motor Oil Sales or Purchase and Assessment Fee Return, you may file for a refund. After review of your records by the Department and overpayment is verified, a refund will be issued to you.

How do I file a claim for refund of the Motor Oil Assessment Fee? What supportive documents are necessary?

A request for refund may be submitted containing the following information:

1. A letter requesting the refund, signed by an employee of the company with knowledge of the transactions.
2. A ledger sheet tabulating purchases and exports for which the refund is being requested.
3. Copies of invoices, vouchers, etc., documenting that the Motor Oil Assessment Fee was paid.
4. Copies of invoices, vouchers, bills of lading, etc., documenting that the motor oil was exported from California.

How long must I keep my records?

Each person required to file a Motor Oil Sales or Purchase and Assessment Fee Return shall maintain accurate records of all transactions subject to motor oil fees. Records must be kept for four years and made available for verification by the Director upon request.

Is there a statute of limitation for filing a claim for refund of the Motor Oil Assessment Fee?

All claims for refund of payments made must be submitted within three years from the date of payment of the fee. Any claim for refund not submitted in a timely manner will be returned, unprocessed, to the sender.